



Single Audit Essentials for Grantees

Key audit concepts every grantee should understand



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Slide 1

SK0 General Question - What conference is this presentation for? Will it be branded as EB slides? Is EB the CPE sponsor?

Sara Kurtz, 2026-03-11T17:00:23.438

KD0 0 AGA and yes the branding will get updated. I need to send them over to Rachel to get updated.

Kristin Diggs, 2026-03-12T21:47:57.555

SK1 We will need to add the EB disclaimer slide.

Sara Kurtz, 2026-03-11T17:00:51.285

KD1 0 Added at end

Kristin Diggs, 2026-03-12T21:50:02.685

Presenters



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Agenda

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Schedule of Federal Awards

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Staying Audit Ready



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Single Audit Fundamentals



What a Single Audit is and Why it Matters

- Definition of Single Audit:
 - A single audit is a federally mandated compliance audit for organizations spending \$1,000,000 or more in federal funds annually.
- Compliance Focus:
 - The audit primarily examines whether federal funds were used according to laws, regulations, and grant conditions.
- Importance for Grantees:
 - Single audits impact future funding, increase oversight, and require corrective actions for any findings.
- Accountability and Transparency:
 - Single audits promote accountability and transparency, encouraging strong controls and accurate reporting.



Slide 6

SK0 In your speaker notes, I would suggest clarifying that this is for any 9/30/25 YE audits and later.

Sara Kurtz, 2026-03-11T17:18:41.331

KD0 0 added

Kristin Diggs, 2026-03-12T21:51:29.986



Schedule of Expenditures of Federal Awards (SEFA)

Schedule of Expenditures of Federal Awards



Required by Uniform Guidance.



Covers same period as the financial statements.



Includes awards expended for each individual federal program.



Both direct costs and indirect costs.



Grouped by individual identifier from the Assistance Listing or by Cluster as dictated in the Compliance Supplement.



Schedule of Expenditures of Federal Awards (Continued)

Client Name
Schedule of Expenditures of Federal Awards
Year Ended December 31, 20X1

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	(A) Amounts Passed- Through to Subrecipients
Department of Agriculture				
Passed through State				
Cooperative Extension Service	10.500	XX-XX01	\$ -	\$ -
SNAP Cluster				
Supplemental Nutrition Assistance Program (SNAP)	10.551	XX-XX02	-	-
State Administrative Matching Grant for Nutrition	10.561	XX-XXAB	-	-
Total SNAP Cluster			-	-
Child and Adult Care Food Program	10.558		-	-
Total Department of Agriculture			-	-
Department of Health and Human Services				
Enhance Safety of Children Affected by Substance Abuse	93.087		-	-
Passed through State of ABC Department of Human Services				
Block Grants for Community Mental Health Services	93.958	MHDS-xx-0xx	-	-
Block Grants for Community Mental Health Services	93.958		-	-
Total Block Grants for Community Mental Health Services			-	-
Total Department of Health and Human Services			-	-

(A) The subrecipient's column can be deleted if there are no subrecipients. If this column is deleted, Note B should be modified as follows: No federal financial assistance has been provided to a subrecipient.



Schedule of Expenditures of Federal Awards Must Include the Following

Noncash assistance

Loan Programs

Loan Guarantee Programs

Amounts passed through to subrecipients for each program

Footnotes to the SEFA



Slide 10

SK0 Update for your facilitator notes. De minimis rate: with the UG changes, not it is - whether the auditee elected to use the de minimis indirect cost rate of up to 15 percent

Sara Kurtz, 2026-03-11T17:21:03.540

KD0 0 updated

Kristin Diggs, 2026-03-12T21:52:01.574



Key Compliance Requirements

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Common Areas Tested in Single Audits

- Allowable Costs Compliance: SK1
 - Allowable costs must be necessary, reasonable, allocable, and well documented to avoid disallowed expenditures.
- Period of Performance: SK0
 - Costs charged must fall within the approved grant period to prevent common period of performance errors.
- Procurement Standards:
 - Procurement requires competitive processes, written policies, and thorough vendor selection documents. SK2
- Reporting Accuracy and Subrecipient Monitoring:
 - Accurate, timely reports must reconcile with accounting records; subrecipient monitoring ensures compliance and issue follow-up.



Slide 12

SK0 Often times, activities allowed is just as relevant. Did you consider adding?

Sara Kurtz, 2026-03-11T17:22:03.714

KD0 0 Since they are tested so much together we left as is but we can talk about it.

Kristin Diggs, 2026-03-12T21:52:45.991

SK1 Should this say Subrecipient monitoring, rather than just monitoring. Also - would it be better to include separate from reporting?

Sara Kurtz, 2026-03-11T17:25:25.647

KD1 0 We split it out later on so I think it is ok as is, but I added subrecipient to the title

Kristin Diggs, 2026-03-12T21:58:54.075

SK2 Just confirming - did you intentionally leave out suspension & debarment

Sara Kurtz, 2026-03-11T17:34:00.224

KD2 0 I did. I dislike it so. 😊 It falls under procurement so I just grouped it under that.

Kristin Diggs, 2026-03-12T21:59:23.219

What is Considered an Allowable Cost

- What is considered an allowable cost and how do you know if it is allowable.
- Direct versus indirect costs.
- Supplement versus supplant – what does this mean?



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When are Federal Awards Expended? – 2CFR200.502

Federal Awards	Basis
Grants, cost reimbursement contracts, compacts with Indian tribes, cooperative agreements under the Federal Acquisition Regulations (FAR) , and direct appropriations	When expenditure / expense transactions occur
Pass-through amounts to subrecipients	When disbursement is made
Loan and loan guarantees	When loan proceeds are used
Donated property	When received
Food commodities	When distributed or consumed
Interest subsidies	When disbursed entitling the entity to the subsidy
Insurance	When in force
Endowments	When restricted amounts are held
Program income	When received or used

FAQ 502.1 allows accrual, modified accrual or cash basis in valuing awards



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Valuing Non-cash Awards – 2CFR200.502

Type	Basis
Loan / Loan Guarantees / interest subsidies	Value of new loans received during period + beginning balances where continuing compliance imposed + interest subsidy, cash or administrative cost allowance received
Loans at institutions of higher education	Same as loan / loan guarantees except for student loans where the institution DOES NOT make the loan. When that occurs, only the value of the loan made in the period
Insurance	Fair value of insurance contract at time of receipt or federal agency assessed value
Endowments	Cumulative balance of federal awards restricted
Free rent	Similar to insurance. Must be part of award to carry out federal program
Food commodities / donated property	Same as insurance and free rent

FAQ 502.1 allows accrual, modified accrual or cash basis in valuing awards



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Period of Performance

- The period during which a non-federal entity may charge allowable costs to a federal award, including authorized costs incurred before the award was made:
 - 2 CFR 200.308, 200.309, and 200.403(h).

Procurement Under the Uniform Guidance

- What Grantees are Expected to Follow:
 - Federal procurement rules apply when using federal grant funds.
 - Requirements are designed to ensure:
 - Full and open competition.
 - Reasonable pricing.
 - Fair and transparent vendor selection.
 - Rules are found in 2 CFR 200.317-200.327.



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Procurement's Core Principles

- Applies to All Purchases:
 - Maintain written procurement policies.
 - Avoid conflicts of interest.
 - Use full and open competition.
 - Perform cost or price analysis.
 - Maintain documentation to support decisions.

Key reminder: Federal rules focus on process and documentation, not just outcomes.



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5K0

Procurement Methods (Overview)

Method Depends on Dollar Amount

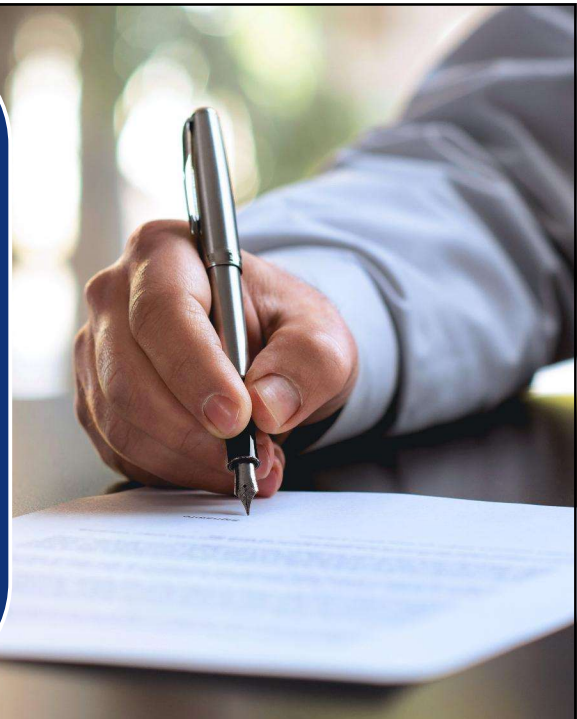
- Micro-purchases.
- Small purchases (simplified acquisitions).
- Sealed bids.
- Competitive proposals.
- Noncompetitive (sole source) – limited circumstances.



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Reporting – Financial and Performance

- Review the grant agreement to ensure submitting all required reports – both financial and performance based by the deadline.
- Submit accurate, completely and timely financial and performance reports.
- If financial report, ensure reports reconcile to accounting records.
- Maintain documentation and evidence of review prior to submission. Keep this documentation for the audit.



Slide 19

SK0 Should we identify this as simplified acquisitions in parentheses afterwards? Small purchases (simplified acquisitions)

Sara Kurtz, 2026-03-11T17:32:32.233

KD0 0 added

Kristin Diggs, 2026-03-12T21:59:50.786

Subrecipient Monitoring

When it applies and why it matters:

- Applies when federal funds are passed to another organization.
- The receiving organization carries out part of the federal program.
- Monitoring responsibility remains with the grantee.
- Classification as subrecipient vs. contractor drives requirement.

Why this matters:

- Grantees are responsible for ensuring subrecipients comply with federal requirements – even though the funds are spent by another organization.



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Subrecipient Monitoring Requirements

- What Grantees are Expected to Do:
 - Identify subrecipients and maintain subaward agreements.
 - Perform and document risk assessments.
 - Monitor financial and programmatic reports.
 - Review audit reports and follow up on findings.
 - Scale monitoring based on risk level.

Internal Controls and Documentation

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Practical Internal Controls and the Importance of Documentation

- **Everyday Internal Controls:**
 - Internal controls are practical processes like reviews, approvals, and segregation of duties ensuring grant compliance.
- **Consistent Documentation:**
 - Consistent documentation of controls is essential, as auditors rely on written evidence for compliance verification.
- **Audit Preparedness:**
 - Proper documentation reduces audit stress by demonstrating adherence to policies and grant requirements clearly.



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Single Audit Process and Findings

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What to Expect During a Single Audit and How Findings Occur

- Single Audit Stages:
 - The single audit includes planning, document requests, testing, follow-up questions, and reporting to ensure compliance.
- Common Audit Findings:
 - Findings often include unsupported costs, procurement issues, late reporting, and weak internal controls.
- Root Causes of Findings:
 - Findings arise from staff turnover, lack of training, informal processes, and inconsistent documentation.
- Corrective Action Plans:
 - Timely, thoughtful corrective action plans help prevent future issues and reduce audit risk.

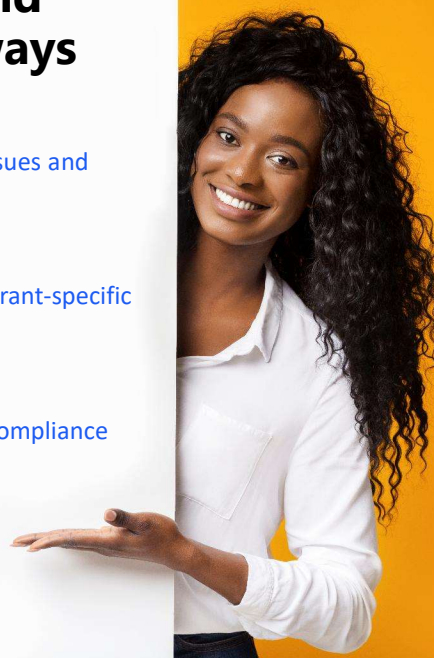




Staying Audit-Ready

Best Practices for Year-Round Compliance and Final Takeaways

- Year-Round Audit Readiness:
 - Maintaining continuous audit readiness avoids last-minute issues and supports smooth compliance throughout the year.
- Clear Ownership and Documentation:
 - Assigning clear grant ownership and maintaining organized, grant-specific files ensures accountability and streamlined management.
- Proactive Communication:
 - Encouraging early communication and questions minimizes compliance risks and prevents costly errors.
- Ongoing Training and Policy Updates:
 - Regular training and updating policies keep staff informed and support strong compliance systems.



Questions?

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Thank you

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